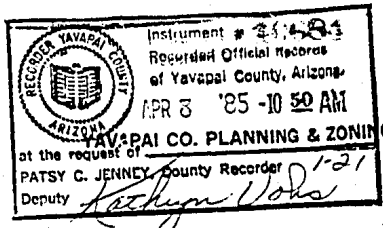


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**DECLARATION OF COVENANTS,
CONDITIONS, RESERVATIONS
AND RESTRICTIONS
OF
VISTA DEL CERRO ESTATES**

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This Declaration made this 21st day of March, 1985 by YAVAPAI TITLE COMPANY, an Arizona corporation, as Trustee under its Trust No. 253, solely as bare legal title holder and not as an individual, and acting at the proper direction of the beneficiary, executes this Declaration of Covenants, Conditions, Reservations and Restrictions of VISTA DEL CERRO ESTATES to run with the real property described as follows for the purpose as hereinafter set forth:

Lots 1-36 inclusive of Vista Del Cerro Estates according to Book 171 of Maps, Page 378, Records of Yavapai County Recorder.

ARTICLE I

DEFINITIONS

Section 1.1. "Architectural Committee" shall mean the committee which may be created pursuant to Article VI hereof. If no such committee is created, "Architectural Committee" shall mean and refer to the Board of Directors of the Vista Del Cerro Estates Owners' Association.

Section 1.2. "Architectural Committee Rules" shall mean the rules adopted for the Architectural Committee.

Section 1.3. "Articles" shall mean the Articles of Incorporation of the Association which are or shall be filed in the Office of the Corporation Commission of the State of Arizona, as said Articles may be amended from time to time.

Section 1.4. "Association" shall mean and refer to the VISTA DEL CERRO ESTATES OWNERS' ASSOCIATION, an Arizona nonprofit corporation, its successors and assigns.

Section 1.5. "Board" shall mean the Board of Directors of the Association.

Section 1.6. "Bylaws" shall mean the Bylaws of the Association, as such Bylaws may be amended from time to time.

Section 1.7. "Declarant" shall mean and refer to YAVAPAI TITLE COMPANY, an Arizona corporation, its successors and assigns. Trustee holds legal title to said property in its capacity as

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Trustee pursuant to the terms of the Trust Agreement as per Trust No. 253.

Section 1.8. "Developer" shall mean and refer to NATIONAL BUILDING CORPORATION, an Arizona corporation, its successors and assigns.

Section 1.9. "Declaration" shall mean the covenants, conditions and restrictions herein set forth in this entire document, as may be amended from time to time. "Project" shall mean and refer to the Properties, all buildings and improvements located thereon, as subject to and controlled by this Declaration. "Project Constituent Documents" shall include this Declaration, the Articles, the Bylaws and other documents pertaining to the Project.

Section 1.10. "Eligible Mortgage Holder" shall mean a holder of a First Mortgage on a Lot and any improvements thereon who has informed the Association of its name and address and has given the Association a written request for notice of any material matter.

Section 1.11. "First Mortgage" shall mean a first agreement of sale and/or first deed of trust as well as a first mortgage, and "mortgage" shall mean an agreement of sale and/or a deed of trust as well as a mortgage. "First Mortgagee" shall mean and refer to any party servicing a first mortgage (including the first mortgagee, if applicable), its successors and assigns.

Section 1.12. "Inventory" shall mean a Lot and/or residence thereon owned by Declarant, not yet conveyed to a public purchaser and which remains unoccupied.

Section 1.13. "Lot" shall mean and refer to any separate parcel of real property subject to this Declaration, with the exception of the private roads.

Section 1.14. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of equitable or beneficial title (or legal title if same has merged) of any Lot, including contract buyers, but excluding those having such interests merely as security for the performance of an obligation. For the purposes of Article IV only, unless the context otherwise requires, "Owner" shall also include the family, invitees, licensees and lessees of any owner, together with any other person or parties holding any possessory interest granted by such owner in any Lot. A lessee or tenant shall not be deemed to be an "Owner" for the purposes of Article IV.

Section 1.15. "Plat" shall mean that plat of Lots 1-36 inclusive according to Book 24 of Maps, Page 94, Records of Yavapai County Recorder.

Section 1.16. "Properties" or "Property" shall mean and refer to

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that certain real property and improvements thereon described in Article II, and such additions thereto as may hereafter be brought within the jurisdiction of the Association and subject to this Declaration.

Section 1.17. "Purchaser" shall mean any person or other legal entity who becomes an owner of any Lot or unit within the Properties.

Section 1.18. "Residence" shall mean a separately owned detached house intended for Single Family Residential Use and shall include the Lot and all improvements situated thereon.

ARTICLE II

VISTA DEL CERRO ESTATES OWNERS' ASSOCIATION

Section 2.1. The Association. There is hereby created the VISTA DEL CERRO ESTATES OWNERS' ASSOCIATION, hereafter referred to as the "Association."

Section 2.2. Membership. Membership in the Association shall be limited to lot owners of lots in VISTA DEL CERRO ESTATES, hereafter referred to as "Owners." An Owner shall automatically, upon becoming such, be a member of the Association and shall remain a member of the Association until he ceases to be an Owner. There shall be no more than one (1) membership with respect to each lot. Owners shall be entitled to one (1) membership for each lot owned.

Section 2.3. Management of Association Affairs. The affairs of the Association shall be conducted by a Board of Directors and such officers as the Directors may elect or appoint, in accordance with the Articles and the Bylaws, as same may be amended from time to time.

Section 2.4. Bylaws. From time to time the Association may adopt, amend and repeal Bylaws provided such adoption, amendment or repeal has been approved by a majority of members voting in person or by proxy, at a meeting duly called for this purpose and the terms of which are not in contravention of these Amendments and Modifications.

Section 2.5. Rules and Regulations. By a majority vote of the Board of Directors, the Association may, from time to time, and subject to the provisions of this Declaration, adopt, amend and repeal rules and regulations to be known as "Association Rules". The Association Rules may restrict and govern the use of the Common Property and any other area within the Properties, except as to the interior of any Residence of any Owner. The Association Rules may not discriminate among Owners and shall not be inconsistent with this Declaration, the Articles or Bylaws. A copy of the Association Rules as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise de-

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livered to each Owner and may be recorded. Upon such mailing or delivery, said Association Rules shall have the same force and effect as if they were set forth in and were a part of this Declaration.

Section 2.6. Limitation of Liability of Board Member. No member of the Board, of any Committee of the Association, or any officer of the Association, or the Declarant or Developer shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of the Association, the Board or any other representative or employees of the Association, or the Architectural Committee, or any such committee, or any officer of the Association, provided that such person has, upon the basis of such information as may be possessed by him, acted in good faith without willful or intentional misconduct.

ARTICLE III

USE RESTRICTIONS

Section 3.1. Permitted Uses and Restrictions -- Single Family. The permitted uses, easements and restrictions for the Property except for the private roads, shall be as follows:

A. Single Family Residential Use. Unless previously approved by the Architectural Committee as provided for in Article VI, no structure, including fences, accessory buildings, etc., whatever, other than one Single Family Residence, shall be erected, placed or permitted to remain on any Lot; provided, however, that Lots owned by Declarant or its nominees may be used as models and sales offices and construction offices for the purpose of selling the Lots in the Property until all of the Lots are sold by Declarant. Nothing herein shall be deemed to prevent the leasing of all such Property to a Single Family from time to time by the Owner thereof, subject to all of the provisions of this Declaration. Certain home occupations can be conducted by the owners on their lots without violation to the principal purpose of the residential use and enjoyment of the property, provided a home occupation is unobtrusively conducted without odor, noise, traffic or parking congestion.

B. Exterior Colors. All roofs must be of materials and colors which blend in with the natural surroundings, such as dark shades of green or brown; no white, grey or aluminum roofing or coating or rolled mineral surface paper shall be permitted other than that approved by the Architectural Committee in writing, shall be placed upon any structure which is located on any of these lots. All structures, including fences, must be painted or stained a color compatible with the natural surroundings, unless otherwise approved in writing by the Architectural Committee.

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C. Animals. No animals, other than a reasonable number of generally recognized house or yard pets, shall be maintained on any property within the Properties and then only if they are kept, bred or raised thereon solely as domestic pets and not for commercial purposes. Dogs shall be kept within structures or fences or on secured leashes. No animal shall be allowed to make an unreasonable amount of noise or to become a nuisance. The Board in its sole discretion shall determine the existence of an unreasonable amount of noise or a nuisance. Upon the written request of any Owner, the Board shall conclusively determine, in its sole and absolute discretion, whether, for the purposes of this Section 3.1(C), a particular animal, or the number of animals on any such property is reasonable. Any decision rendered by the Board shall be enforceable as other restrictions contained herein.

D. Antennas. No antenna or other device for the transmission or reception of television or radio signals or any other form or electromagnetic radiation shall be erected, used or maintained outdoors on any Residence or Lot, whether or not attached to a building or structure, unless approved by the Architectural Committee.

E. Utility Service. No lines, wires or other devices for the communication or transmission of electric current or power, including telephone, television and radio signals, shall be erected, placed or maintained anywhere upon Lot unless the same shall be contained in conduits or cables installed and maintained underground or concealed in or on buildings or other structures approved by the Architectural Committee. No provisions hereof shall be deemed to forbid the erection of temporary power or telephone structures incident to the construction of buildings or structures approved by the Architectural Committee.

F. Temporary Occupancy. No trailer, tent, shack, garage or barn, and no temporary buildings or structure of any kind shall be used at any time for a residence on any Lot either temporary or permanent. Temporary buildings or structures used during the construction of a dwelling on any Lot shall be removed immediately after the completion of construction.

G. Trailers and Motor Vehicles. The Owner or Owners of each Residence shall not be permitted to have or maintain more vehicles than can be stored in the Owner's garage, improved driveway or improved parking area. Garages shall be used for parking vehicles and storage purposes only, shall not be converted for living or recreational activities, and garage doors shall be kept closed. The term "motor vehicle" as used in this Section 3.1(G) shall include, without limitation, automobiles, pick-up trucks, vans, trucks, recreational vehicles, buses, motor homes, boats, trailers, motor cycles and similar apparatus.

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H. Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any property within the Properties, and no odors shall be permitted to arise therefrom, so as to render any such property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to its occupants. No motor vehicle (including, without limitation, motor-cycles) shall be operated on the Property, except by a licensed operator. No motor vehicle shall be operated on the Property so as to create a loud or annoying noise which is hereby deemed a nuisance. No nuisance shall be permitted to exist or operate upon any such property so as to be offensive or detrimental to any other property in the vicinity thereof or to its occupants. Without limiting the generality of any of the foregoing provisions, no exterior horns, whistles, bells or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on any such property within the Properties. The Board in its sole discretion shall have the right to determine the existence of any such nuisance. No motor-cycles or motor driven vehicles (except lawn maintenance equipment) shall be operated on any walkways or sidewalks within the Properties.

I. Repair of Buildings. No building or structure upon any Lot shall be permitted to fall into disrepair, and each such building and structure shall at all times be kept in good condition and repair and adequately painted or otherwise finished.

J. Clothes Drying Facilities. Outside clotheslines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on any Lot unless erected, placed and maintained exclusively within the fenced rear yard of the Lot or otherwise concealed and shall not be Visible From Neighboring Property.

K. Mineral Exploration. No Property shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, earth or any earth substance of any kind.

L. Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Lot except such machinery or equipment as is usual and customary in connection with the use, or maintenance of a Resident, appurtenant structures, or other improvements, and except that which Declarant or the Association may require for the construction, operation and maintenance of the Properties.

M. Diseases and Insects. No Owner shall permit any thing or condition to exist upon any Lot which shall induce, breed or harbor infectious plant diseases or noxious insects.

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N. Restrictions on Further Subdivision. No Lot shall be further subdivided or separated into smaller lots or parcels by any Owner, and no portion less than all of any such Lot, nor any easement or other interest therein, shall be conveyed or transferred by any Owner without the prior written approval of the Board of Directors of the Association. Subject to conformance with the regulations and ordinances of Yavapai County or a municipality if annexed, this provision shall not, in any way, limit Declarant from subdividing or separating into smaller lots or parcels any property owned by Declarant.

O. Restrictions on Leasing. In the event the Owner of a Lot desires to have his Lot or Unit occupied by any person(s) other than the Owner and/or the Owner's immediate family, whether by lease, rental or otherwise, the Owner, before leasing, renting or permitting such other occupancy, shall expressly notify the proposed lessee, tenant or occupant that use of the premises is subject to this Declaration, and shall secure from the lessee, tenant or occupant a written agreement to abide by all of the covenants, conditions and restrictions contained herein, and any rules and regulations adopted by the Board of Directors of the Association. Such written agreement shall also contain provisions whereby the tenant, lessee or other occupant, as the case may be, expressly conditions his right to occupy the premises upon the observation by himself, his family and guests of all provisions of this Declaration and of any rules and regulations adopted by the Association, and whereby both he and the Owner agree for the benefit of the Association that any such failure to abide by the Declaration, or rules and regulations of the Association, shall entitle the Association, at the direction of its Board of Directors, to initiate appropriate legal action in the name of the Association, at the direction of its Board of Directors, to initiate appropriate legal action in the name of the Association and/or in the name of the Owner to enforce this Declaration and any rules and regulations of the Association, and to be entitled to be awarded exclusive possession of such premises. In the event the board institutes any legal action for such termination, eviction or recovery of possession, the costs of such litigation, including reasonable attorney fees, shall be paid by the Owner to the Association and shall be secured by the lien against the Owner's Unit and Lot, as provided under this Declaration for assessments. Failure of the Owner to obtain such agreement provided for herein and to deliver the agreement to a member of the Board of Directors prior to turning over possession or occupancy of the Lot or Unit to such other person, shall entitle the Board, at its election, to terminate, by legal action or otherwise, such tenant's lessee's or occupant's possession of the premises and to bring appropriate legal action in its own name or in the name of the Owner, to enforce such termination and cause the removal of such lessee, tenant or other occupant from the premises.

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P. Security. The property has been designed for restricted access including, without limitation, an entry gate. Accordingly, access to the Property shall be restricted to, and subject to, the following:

- (1) Owners and their tenants, if any.
- (2) Adult guests age eighteen (18) and over for whom an Owner or an Owner or a Owner's tenant gives authorization at the time of entry of such adult guest.
- (3) Guests under age eighteen (18) for whom an adult Owner or an Owner's adult tenant gives authorization at the time of entry.
- (4) Agents and employees of public utilities for the installation and maintenance of public utility facilities including but not limited to cable television, gas, sewer, electricity, telephone and water.
- (5) Agents and employees of appropriate governmental authorities for ingress and egress for fire protection, sanitation, law enforcement or any other official governmental service.
- (6) Owners of pre-existing easements.

In no event shall any guests be admitted except for the express purpose of such guests going immediately and directly to the Lot whose Owner or tenant has authorized entry onto the Property. Owners shall be liable to any and all damages caused or created by his or her guests and additionally shall be liable for any violation of this Declaration or any rules or regulations promulgated hereunder by his or her guests. Any Owner holding such social function shall be responsible for any and all damage caused by those guests admitted pursuant to such Owner's (or an Owner's tenants) request. Any such costs incurred shall be paid by such requesting Owner (or tenant) immediately upon demand by the Association. The collection of such costs shall be enforceable as an assessment pursuant to this Declaration. The Association shall have the power, at its discretion, to require reasonable security deposits be paid prior to the social function.

Q. Signs. No signs whatsoever (including, but not limited to "For Sale," "For Rent," security and other commercial, political or similar signs) which are Visible From Neighboring Property shall be erected or maintained on any Lot or parcel of property within the Properties except:

- (1) Such signs as may be required by legal proceedings;

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(2) Such signs, the nature, number and location of which have been approved in advance by the Architectural Committee;

(3) Such signs, the number, type and size of which as may be approved from time to time by Developer during the original development and sales as to the Properties;

(4) Such "For Sale" and "For Rent" signs of the type authorized by the Architectural Committee.

R. Rubbish, Trash and Garbage. Rubbish, trash or garbage containment and collection shall be regulated by the Board through the Rules and Regulations

S. Time of Completion. All lots must be left in their natural state, and nothing may be stored or parked thereon, until residential construction on the lot is commenced. Once commenced, residential construction must be completed within six (6) months, unless the period is extended by the Architectural Committee. Within thirty (30) days after substantial completion of the residence, all portions of the lot which have been disturbed by construction must be restored to its natural condition or landscaped.

T. Landscaping. Landscaping of an informal type compatible with the natural surroundings will be encouraged. Any cutting of native trees or shrubs, except at locations of structures or improvements for which plans have first been approved by the Architectural Committee, shall require prior written approval of the Architectural Committee.

U. Exterior Lights. At or before the time of completion of a residence on any owner's lot, the owner shall install in a suitable location adjacent to the private road or road easement and thereafter maintain a continuous gas light on a post of such design and with a gas light of such intensity as may be prescribed by the Architectural Committee, unless another type of road light fixture, including electric, has been prescribed by the Architectural Committee. All other exterior light fixtures shall be subject to the approval of the Architectural Committee and shall not have an obtrusive appearance or glare visible on any neighboring lot or parcel.

V. Mailboxes. Mailboxes shall be of the type, color and location approved by the Architectural Committee and installed in accordance with United States Postal Service regulations.

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W. Exemption of Developer. Nothing contained in this Declaration shall be construed to prevent the erection or maintenance by Developer, or its duly authorized agents, of structures, improvements or signs necessary or convenient to the development, sale, operation or other disposition of property. Developer is undertaking the work of constructing residential dwellings and incidental improvements upon the Properties. The completion of that work and the sale, rental and other disposal of said residential units is essential to the establishment and welfare of the Properties as a residential community. In order that the work may be completed and the Properties be established as a fully occupied residential community as rapidly as possible, nothing in this Declaration shall be understood or construed to:

(1) Prevent Developer, its contractors, or subcontractors, from doing on the Properties whatever is reasonably necessary or advisable in connection with the completion of such work; or

(2) Prevent Developer or its representatives from erecting, constructing and maintaining on the Properties, such structures as may be reasonable necessary for the conduct of its business of completing the work and disposing of the same by sale, lease or otherwise; or

(3) Prevent Developer from maintaining such signs on the Properties as may be necessary for the sale, lease or disposition thereof.

ARTICLE IV

MEMBERSHIP AND VOTING

Section 4.1. Membership. Every Owner shall automatically be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 4.2. Voting Rights. The voting rights in the Association shall be as follows:

A. Members' Rights. Each member shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

B. Developer's Rights. Notwithstanding anything contained herein to the contrary or otherwise, until such time as

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all of the Lots within the Property have been conveyed to ultimate purchasers for sale thereof, the rights and authority granted to the Association, including but not limited to the right to make assessments, as set forth below, shall be and remain in Developer unless Developer, prior to the time specified above, elects to relinquish and/or delegate all or part of such rights and authority to the Association, which it shall have the right to do by written notice delivered to the Board at any time and signed by Developer and thereafter all such rights and authority with the duties attendant thereto shall be assumed, held and administered by the Association, its Members, the Board and its Officers, in accordance with the Articles, Bylaws, and this Declaration. Until Developer has relinquished its rights hereunder to the Association, Developer shall have and is hereby granted the right to make assessments and receive from each Owner such assessments. The assessments charged and received by Developer may be subject to such additional and other provisions (including but not limited to the amount and the manner in which same are payable) as may be set forth herein and in the purchase contract, escrow instructions or other agreement entered into with each buyer of a Lot. Further, until the time Developer relinquishes its rights as set forth above: (i) the only voting membership in the Association shall be the membership of Developer; and (ii) the membership in the Association by all the other Owners shall be non-voting.

Section 4.3. Number of Votes Per Lot. The vote for each such Lot must be cast as a unit and fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the manner in question. If any Owner of Owners casts a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other Owners of the same Lot. In the event more than one vote is cast for a particular Lot, none of said votes shall be counted as said votes shall be deemed void.

Section 4.4. Other Rights, Duties and Obligations. Each member shall have such other rights, duties and obligations, as set forth in the Articles of Incorporation and the Bylaws of the Association, as same may be amended from time to time.

Section 4.5. Assignment of Membership Rights. The Association membership of each Owner of a Lot shall be appurtenant to such Lot. The rights and obligations of an Owner and membership in the Association shall not be assigned, transferred, pledged, conveyed or alienated in any way, except upon transfer of ownership to the Owner's Lot, and then only to the transferee of ownership to such Lot, or be intestate succession, testamentary disposition, foreclosure of a mortgage of record, exercise of a

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power of sale under a deed of trust, or such other legal process as is not in effect or as may hereinafter be established under or pursuant to the laws of the State of Arizona. Any attempt to make a prohibited transfer shall be void. Any transfer of the entire ownership to a Lot shall operate to transfer said membership to the new owner thereof.

ARTICLE V

ASSESSMENTS

Section 5.1 Assessments. Each Owner, by becoming such, shall be deemed to covenant and agree to pay to the Association with respect to his lot assessments as set forth herein, all such assessments to be fixed, established and collected from time to time as hereinafter provided. Any assessment made with respect to a lot, together with interest thereon and costs of collection thereof (including reasonable attorney's fees) as hereinafter provided, shall be the personal obligation of the person who was the Owner of such lot at the time when the assessment fell due and, in addition, shall be a charge on such lot in a continuing lien thereon. The assessments provided for herein shall be used for the purpose of maintaining, repairing and replacing the private roads and improvements on the easements, ad valorem taxes and governmental assessments on the private roads and easements, insurance, administration of the Association and such other expenses of the Association as are necessary to promote the health, safety and welfare of the owners of the lots. Amounts of assessments and each Owner's share of such assessments for a lot, unless expressly stated otherwise, shall be determined in accordance with this Article.

Section 5.2 Regular Assessments. There shall be regular assessments due each year on the first day of June in an amount to be determined by the Board of Directors but in no event greater than \$100.00 for each lot. The foregoing may be increased each year by the Board by an amount not more than 10% of the amount assessed each lot the previous year, unless a greater amount is approved by a majority vote of the voting member(s). All regular assessments shall at all times be allocated in equal amounts to all lots except as otherwise provided in this Declaration.

Section 5.3 Special Assessments. At any time the Board of Directors determines the need for a special assessment for maintenance or improvement of the private roads and easements, the Association may levy a special assessment, allocated equally to all lots, provided such special assessment has first been approved by a majority vote of the voting member(s), voting in person or by proxy, at a meeting duly called for this purpose.

Section 5.4 Enforcement and Lien of Assessment. Each owner, for himself, his heirs, successors, grantees and assigns, covenants

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that with respect to regular and special assessments coming due during the period that he is an Owner, he will remit the same directly to the party or parties designated by the Association's Board of Directors, at the time and place and in the amounts specified, all as herein provided. Any assessments which are not paid when due shall be delinquent.

Each Owner further agrees that such assessments, if not paid within fourteen (14) days after the due date, and any costs (including reasonable attorney's fees) incurred by or on behalf of the Association in collecting the same (which shall be paid by such Owner to the Association), shall bear interest from the date due or incurred, as the case may be, at the rate of fifteen percent (15%) per annum and, together with such interest, shall become a lien prior to all other liens upon said Owner's lot or parcel and shall continue to be such lien until fully paid, regardless of any offset or counterclaim. The lien provided for herein shall be in favor of the Association or its assignee. The Board of Directors of the Association may file in the public records of Yavapai County, Arizona, a public notice of lien.

Each Owner does hereby waive, to the extent of any lien created pursuant hereto, the benefit of any homestead or exemption laws of the State of Arizona in effect at the time any such lien is created. No Owner may exempt himself from liability for assessments or charges of any kind by waiver of the use or enjoyment of the private roads and easements. The sale or conveyance of the lot or parcel out of which the assessment or charge arose shall not relieve the selling or conveying Owner of his personal liability for such assessment or charge.

Each Owner expressly vests in the Association, or its agent, the right and power to bring all actions against such Owner personally for the collection of such assessments and charges as a debt under any remedy available at law or equity and/or to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage of real property, and such Owner hereby expressly grants to the Association a power of sale in connection with said lien. The Association may elect to make payments on any prior lien, and such payments shall thereupon become the obligations of the Owner to the Association, bearing interest as aforesaid and secured by the lien herein created. The Association or its agent shall have the power to bid on an interest so foreclosed and to acquire and hold, lease, mortgage, sell or convey the same.

Section 5.5. Exemption of Declarant's Lots. Anything to the contrary contained in this declaration notwithstanding, any and all assessments assessed hereunder shall be imposed only on lots not owned by the declarant and in no event shall lots owned by declarant be subject to any assessment; neither shall declarant be personally liable for any assessment.

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ARTICLE VI

ARCHITECTURAL CONTROL

Section 6.1. Delegation. All rights and power granted to the Board in this Declaration regarding architectural control may, in the discretion of the Board, be delegated to an Architectural Committee. All decisions of the Board or Architectural Committee, if one is established, shall be final, and no Owner or other party shall have recourse against the Board or the Architectural Committee for its refusal to approve any proposed improvement or alteration.

Section 6.2. Membership. The Architectural Committee, if established by the Board of Directors of the Association, shall consist of such regular members and alternate members as may be determined by the Board. No member of the Architectural Committee shall be required to be an architect or to meet any other particular qualifications for membership on the committee. A member of the Architectural Committee need not be, but may be, a member of the Board of Directors or an officer of the Association. The Board of Directors shall have the right to establish such rules and regulations governing the activities and procedures of the Architectural Committee as the Board deems appropriate, including, but not limited to, determining the requirements for a quorum and the required vote for approval or disapproval of any item. The Board shall have the right to appoint and remove all regular and alternate members of the Architectural Committee at any time for any reason, and to fill vacancies on the Architectural Committee however caused. Members of the Architectural Committee shall not be entitled to compensation for their services.

Section 6.3. Approval of Plans. All plans for the construction of private roads and driveways and all building plans for any building, fence, wall or structure to be erected upon any lot, and the proposed location thereof upon any lot, and any changes after approval thereof, any remodeling, re-construction, alteration or addition to any building, road, driveway or other structure upon any lot in such premises shall require the approval in writing of the Architectural Committee. Before beginning the construction of any road, driveway, building, fence, wall coping, or any other structure whatsoever, or remodeling, re-construction, or altering such road, driveway, or structure upon any lot, the person or persons desiring to erect, construct, or modify the same shall submit to the Architectural Committee road or driveway plans, showing the locations, course, and width of same or building plans and specifications for the building, fence, wall coping, or other structure, as is applicable, so desired to be erected, constructed, or modified. No structure of any kind, the plans, elevations, and specifications of which have not received

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the written approval of the Architectural Committee, and which does not comply fully with such approved plans and specifications, shall be erected, constructed, placed or maintained upon any lot. No changes or deviations in or from such plans and specifications as approved shall be made without the prior written consent of the Architectural Committee.

Section 6.4. Approval of Solar Energy and Air Conditioning Equipment Plans. All plans for the external placement of solar energy and air conditioning equipment shall require the approval in writing of the Architectural Committee. The Architectural Committee shall not approve plans for the external placement of solar energy and air conditioning equipment unless such equipment has been adequately screened or provides for such equipment to be adequately blended with other improvements so as not to have an obtrusive appearance from any neighboring lot or parcel within the Properties.

Section 6.5. Declared Purpose. The declared purpose of this Article is to assure that the character, design, exterior colors, landscaping, proportions, elevation and siting of each improvement on any lot shall be in harmony with its surroundings and shall not be offensive or aesthetically detrimental to neighboring property. In addition to all other standards, the architectural committee may deny any application if it determines in its sole and uncontrolled discretion that the quality, materials, amount of floor space, cost of construction, or probable fair market value are not in keeping with the majority of residences in the sub-division at the time of application.

Section 6.6. Procedures. The Board shall establish a procedure for the preparation, submission and determination of applications for any improvement or alteration. The Board may, from time to time and in its sole and absolute discretion, adopt, amend and repeal by majority vote or written consent, rules and regulations which shall interpret and implement the declared purpose of this Article VI and set forth the standards and procedures for architectural control review and the guidelines for architectural design, placement of building, landscaping, color schemes, exterior finishes, use of materials, and similar features and items in accordance with this Declaration. The Board, or the Architectural Committee, as the case may be, shall keep and maintain a written record of all actions taken in connection with architectural control.

Section 6.7. Committee Action. In the event the Board, or the Architectural Committee, as the case may be, fails to approve or disapprove an application for improvement or alteration within 20 days after submission of said application, duly prepared in accordance with the rules promulgated by the Board of the Architectural Committee, approval will not be required and this Article VI will be deemed to have been fully complied with.

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Section 6.8. Limited Effect of Approval. The approval by the Board of Directors of the Association, or the Architectural Committee, as the case may be, of any plans, drawings or specifications, for any work done or proposed, or for any other matter requiring prior to written approval by virtue of this Declaration, shall not be deemed to constitute a waiver of any requirement or restriction imposed by Yavapai County or of any other law, or of any requirement or restriction imposed by this Declaration, or of any right of the Board or Committee to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval.

Section 6.9. Non-Liability. Neither the declarant, developer, Association, Board of Directors, nor the Architectural Committee, nor any member, shareholder or employee thereof shall be liable to the Association, to any owner or to any other party for any damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of any plans, drawings or specifications, whether or not defective or deficient, (b) the construction or performance of any work whether or not pursuant to the approved plans, drawings and specifications, (c) the development of any portion of the property, or (d) any structural defect in any plans or specifications approved by the Committee or in any building or structure erected according to such plans and specifications.

ARTICLE VII

MAINTENANCE BY ASSOCIATION

Section 7.1. Maintenance. The Association shall maintain the private roads, entry gate and landscaping on easements and may, at any time, in the discretion of the Board, without any approval of the Owners being required:

A. Reconstruct, repair, replace or re-finish any improvement or portion thereof upon any portion of the private roads, entry gate and landscaping on easements (to the extent that such that work is not done by a governmental entity, if any, responsible for the maintenance and upkeep of such area) in accordance with (a) plans therefore approved by the Board, (b) the original plans for the improvement, (c) if neither of the foregoing is applicable and if such improvement was previously in existence, then in accordance with the original design, finish or standard of construction of such improvement as same existed.

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B. Replace injured and diseased trees or other vegetation in any such easements, and plant trees, shrubs and ground cover to the extent that the Board deems necessary for the conservation of water and soil and for aesthetic purposes.

C. Place and maintain upon the private streets and easements such signs as the Board may deem appropriate for the proper identification, use and regulation thereof.

D. Do all such other and further acts which the Board deems necessary to preserve and protect the Property and the beauty thereof, in accordance with the general purposes specified in this Declaration.

E. The Board shall be the sole judges as to the appropriate maintenance of all grounds within the private streets and easements.

F. No improvement, excavation or work which in any way alters any private streets and easements from natural or existing state or landscaping shall be made or done by any person other than the Developer or the Association or its duly authorized agents.

ARTICLE VIII

INSURANCE

Section 8.1. Authority to Purchase. The Association shall purchase and maintain at all times insurance upon the private roads, and easements, and improvements thereon.

Section 8.2. Extent of Coverage. The Association shall obtain and provide insurance for the private roads, easements, and improvements thereon in the following coverages: (a) loss or damage by fire, if appropriate, and other hazards covered by standard extended coverage endorsements; (b) debris removal, cost of demolition, vandalism, malicious mischief, windstorm and water damage, and (c) other risks customarily covered in a standard all-risk of physical loss form. Insurance on improvements shall be in an amount as determined by the Board. A comprehensive policy of public liability insurance providing, at a minimum, coverage for all of the private roads, easements, and improvements thereon of at least \$1,000,000 per occurrence for personal injury and/or property damage. Such coverage shall include protection against those risks typically covered in a "broad form"

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policy and such other risks as are customarily covered in similar projects. If reasonably possible to obtain, such liability policy shall contain a "severability of interest" clause or endorsement which shall preclude the insurer from denying the claim of an owner or of the Association because of acts of the Association or other owners. The Association may obtain such other insurance as the Board in its discretion shall determine from time to time to be desirable with respect to the private roads, easements and improvements thereon.

ARTICLE IX

PRIVATE ROADS AND ROAD EASEMENTS

Section 9.1. Declarant shall remain the owner of the private roads and road easements until such time as the private roads and road easements have been conveyed to the Association. The Association will accept title to the private roads and road easements upon such conveyance and from that time shall be responsible for paying the ad valorem taxes, assessments and other levies made upon the private roads and road easements by law.

ARTICLE X

RESERVATION OF EASEMENTS

Section 10.1. Reservation of Easements. There is reserved to the Association an easement over and under the first ten feet within all the boundaries of any lot for future utilities including, but not limited to, water, electricity, gas, sewer, telephone, and cable television.

ARTICLE XI

MORTGAGEE RIGHTS

Section 11.1. Mortgagee Rights. Notwithstanding and prevailing over any other provision of the Project Constituent Documents, as any of the same may be duly adopted and amended from time to time, the following provisions shall apply to and benefit each holder of a first mortgage, first beneficiary under a deed of trust, or Seller under an agreement of sale upon a lot (the "First Mortgagee"):

A. During the pendency of any proceeding to foreclosure a first mortgage, deed of trust or agreement of sale on a lot, or equivalent proceedings, including any period of redemption, the First Mortgagee (or any receiver appointed in such action) may, but need not, exercise any or all of the rights and privi-

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leges of the Owner of such lot upon written notice to the Association, including but not limited to the right to vote as a Member of the Association to the exclusion of the Owner's exercise of such rights and privileges.

B. The First Mortgagee or any other party acquiring title to a lot through foreclosure suit, trustee's sale, forfeiture or any equivalent proceeding (including the taking of a deed in lieu of foreclosure) and their successors in interest shall acquire title to such lot free and clear of any lien pursuant to this Declaration which secures the payment of any assessment for charges accrued prior to the final conclusion of any such foreclosure suit, trustee's sale, forfeiture or equivalent proceeding (including the expiration date of any period of redemption), except as follows: any such unpaid assessment against such lot may be treated as an expense common to all the lots and as such may be collected by assessment of the total amount thereof against all the lots, including the lot so foreclosed against as a special assessment pursuant to Section 5.3 hereof; such assessments being enforceable as a lien against each lot in the manner provided for other assessments authorized in this Declaration.

Section 11.2. No Amendment Without Consent. No provision of Section 10.1 hereof shall be amended nor shall any such amendment affect the rights of any First Mortgagee who does not join in the execution thereof.

ARTICLE XII

AMENDMENTS AND ANNEXATIONS

Section 12.1. Amendments. Amendment of this Declaration shall require the assent of at least two-thirds of the members. Notwithstanding the foregoing, the Declarant, or its successor or assigns, in its sole discretion, so long as it owns any lot in VISTA DEL CERRO ESTATES or any lot or parcel annexed, thereto, may amend this Declaration without the consent of any other lot or parcel owner.

Section 12.2. Annexations. Notwithstanding any contrary provision of this Declaration, Declarant reserves the right in its sole discretion and without the consent of any other Owner or

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mortgagee, at any time to annex all or any portion of the real property adjacent and contiguous to the plat. The owner of each lot or parcel annexed, as such may be designated on the records of the County Assessor of Yavapai County, Arizona, shall, from and after annexation, be subject to all prospective assessments levied pursuant to Article 5 hereof in the same manner as are owners of lots in VISTA DEL CERRO ESTATES.

ARTICLE XIII

PRIVATE DEED RESTRICTIONS

Section 13.1. Private Deed Restrictions. Notwithstanding anything to the contrary, Declarant reserves the right in its sole discretion and without the consent of any other owner or mortgagee, so long as it owns any lot in Vista Del Cerro Estates or any lot or parcel annexed thereto, to enter into and to create private deed restrictions which shall apply and be enforceable against all lots in Vista Del Cerro estates and as to any particular lot or parcel within Vista Del Cerro Estates. Any such private deed restrictions shall be superior to and shall supercede any contravening provisions of this Declaration. Any amendments to any such private deed restrictions shall be pursuant to Article XII, Section 12.1, except for the provision that no such amendment shall be made without the consent of the owner of any such lot or parcel affected by such private deed restriction.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed.

YAVAPAI TITLE COMPANY,
as Trustee

By Frank A. Kelly
President

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STATE OF ARIZONA)
) ss.
County of Yavapai)


Before me this 21st day of March, 1985,
personally appeared FRANK B. KELLY who acknowledged himself to be
the President of YAVAPAI TITLE COMPANY, an Arizona corporation,
and that he as such Officer being authorized so to do, executed
the foregoing instrument for the purposes therein contained, by
signing the name of the corporation.

Notary Public

My commission expires:
MY COMMISSION EXPIRES OCT. 26, 1988.

SEAL

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 INSTRUMENT # 8828412
 OFFICIAL RECORDS OF
 YAVAPAI COUNTY
 PATSY C. JENNEY
 REQUEST OF
 YAVAPAI TITLE CO
 DATE: 08/08/88 TIME: 15:55
 FEE: 10.00
 BOOK 2068 PAGE 252 PAGES: 007

ANNEXATION TO
 AND
 AMENDMENT TO
 DECLARATION OF COVENANTS,
 CONDITIONS, RESERVATIONS
 AND RESTRICTIONS
 OF
 VISTA DEL CERRO ESTATES
 AND
 CONSENT TO ANNEXATION

S	10	1	P	4	Co	5	St
Bk		Map					Pr

This Annexation to and Amendment to Declaration made
 this 5th day of August, 1988, by YAVAPAI TITLE
 COMPANY, an Arizona corporation, as Trustee under its Trust No.
 253, solely as bare legal title holder and not as an individual,
 as the continuing Owner of more than one lot in VISTA DEL CERRO
 ESTATES, a subdivision recorded in Book ⁸⁸⁸ 24 ₃₈₇ of Maps, Page 94,
 Records of Yavapai County Recorder and acting at the proper
 direction of the beneficiary, executes this Annexation to and
 Amendment to Declaration of Covenants, Conditions, Reservations
 and Restrictions of VISTA DEL CERRO ESTATES annexing the property
 situated in Yavapai County, Arizona, which is adjacent and
 contiguous to VISTA DEL CERRO ESTATES described on Exhibit A
 hereto and hereafter referred to as Lot A pursuant to the provi-
 sions of Section 12.2 of the Declaration of Covenants, Condi-
 tions, Reservations and Restrictions of Vista Del Cerro Estates
 (hereafter Original Declaration) previously recorded at Book
1711, Page 378 of the Records of the Yavapai County Recorder,
 annexing the property situated in Yavapai County, Arizona, which
 is adjacent and contiguous to VISTA DEL CERRO ESTATES described

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on Exhibit B hereto and hereafter referred to as Lot B pursuant to the provisions of Section 12.2 of the Original Declaration, and amending the Original Declaration pursuant to the provisions of Section 12.1 of the Original Declaration under the provision that permits the Declarant to amend the Original Declaration so long as it continues to own one or more lots in VISTA DEL CERRO.

ANNEXATION

Lot A and Lot B are each annexed to the Declaration of Covenants, Conditions, Reservations and Restrictions of VISTA DEL CERRO ESTATES and each shall hereafter be subject to the provisions of the Declaration of Covenants, Conditions, Reservations and Restrictions of VISTA DEL CERRO ESTATES, and all amendments thereto, and each shall hereafter be subject to all prospective assessments levied pursuant to Article 5 hereof in the same manner as are owners of Lots in VISTA DEL CERRO ESTATES.

AMENDMENT

Section 1.13 of the Original Declaration is deleted in its entirety and substituted as follows:

Section 1.13. "Lot" shall mean and refer to each of the lots set forth in the plat, with the exception of the private roads, property situated in Yavapai County, Arizona, described on Exhibit A hereto and hereafter referred to as Lot A, and the property situated in Yavapai County, Arizona, described on Exhibit B hereto and hereafter referred to as Lot B.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed.

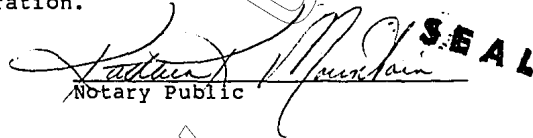
YAVAPAI TITLE COMPANY,
as Trustee

By *Frank B. Kelly*
President

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STATE OF ARIZONA)
) ss.
County of Yavapai)

Before me this 5 day of August, 1988,
personally appeared FRANK B. KELLY who acknowledged himself to be
the President of YAVAPAI TITLE COMPANY, an Arizona corporation,
and that he as such Officer being authorized so to do, executed
the foregoing instrument for the purposes therein contained, by
signing the name of the corporation.

 *Richard Mountain*
Notary Public

My commission expires:
8-1-91

CONSENT TO ANNEXATION

GEORGE P. FAGAN, husband of BARBARA G. FAGAN, the
owner of Lot A, as his sole and separate property, consents to
the annexation of Lot A to the original Declaration and consents
to be bound by and will comply with all of the terms and provisions
of the Original Declaration and the amendments thereto
subject to the provision that he shall be subject only to prospective
assessments levied pursuant to Article 5 of the Original
Declaration in the same manner as are owners of lots in VISTA DEL
CERRO ESTATES and that the subjection of Lot A to the terms and
provisions of the Original Declaration shall hereafter run with
the title to Lot A whether specific reference to said restrictions
is made in subsequent deeds, deeds of trust or other
instruments.

IN WITNESS WHEREOF, the undersigned has caused this
instrument to be executed.


GEORGE P. FAGAN

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CONSENT TO ANNEXATION

BARBARA G. FAGAN, wife of GEORGE P. FAGAN, the owner of Lot B, as her sole and separate property, consents to the annexation of Lot B to the original Declaration and consents to be bound by and will comply with all of the terms and provisions of the Original Declaration and the amendments thereto subject to the provision that she shall be subject only to prospective assessments levied pursuant to Article 5 of the Original Declaration in the same manner as are owners of lots in VISTA DEL CERRO ESTATES and that the subjection of Lot B to the terms and provisions of the Original Declaration shall hereafter run with the title to Lot B whether specific reference to said restrictions is made in subsequent deeds, deeds of trust or other instruments.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed.

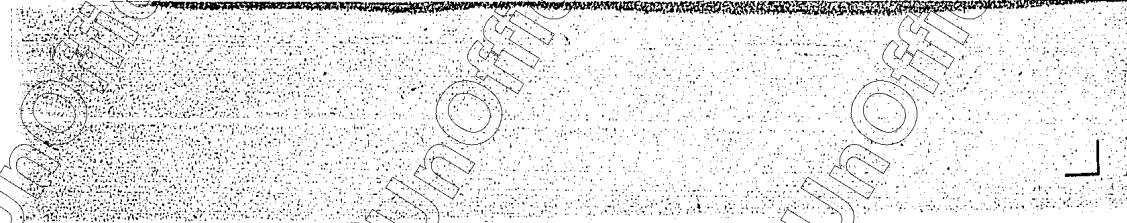
Barbara G. Fagan
BARBARA G. FAGAN

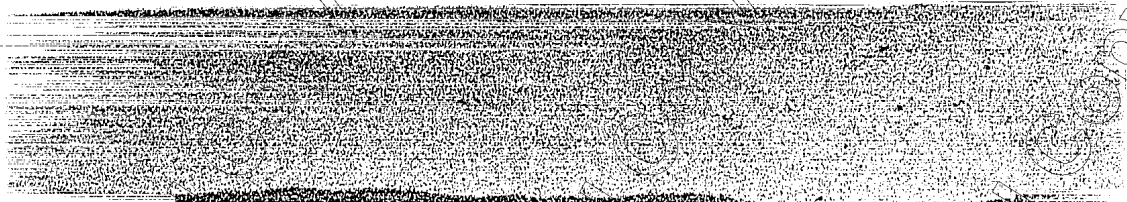
STATE OF ARIZONA)
County of Yavapai) ss.

Before me this 5 day of August, 1988, personally appeared GEORGE P. FAGAN who executed the foregoing instrument for the purposes therein contained by signing his name.

Lillian K. Munkin
Notary Public

My commission expires: 8-1-91





STATE OF ARIZONA)
) ss.
County of Yavapai)

Before me this 5 day of August, 1988,
personally appeared BARBARA G. FAGAN who executed the foregoing
instrument for the purposes therein contained by signing her
name.

Kathleen M. ...
Notary Public **SEAL**

My commission expires:
8-1-91

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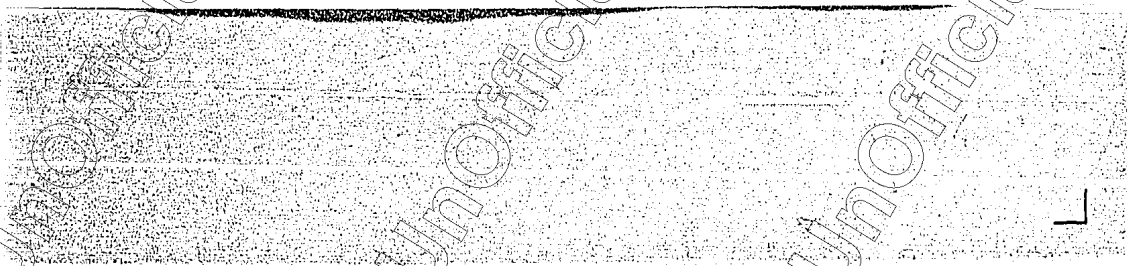


LEGAL DESCRIPTION

PARCEL KNOWN AS LOT A:

The North 145 feet of the South 390 feet of East 175 feet of the Northeast quarter of the Southwest quarter of Section 19, Township 14 North, Range 2 West of the Gila and Salt River Base and Meridian.

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LEGAL DESCRIPTION

PARCEL KNOWN AS LOT B:

The South 145 feet of the North 290 feet of the South 390 feet of East 175 feet of the Northeast quarter of the Southwest quarter of Section 19, Township 14 North, Range 2 West of the Gila and Salt River Base and Meridian.